

The Standards of Ethical Conduct For Employees of the Executive Branch

Effective February 3, 1993, the Standards of Ethical Conduct for Employees of the Executive Branch at 5 CFR Part 2635 replace the many individual agency standards of conduct regulations with a uniform set of standards applicable to all employees of the Executive branch. Where necessary, individual agencies have authority to issue supplemental regulations.

Because they are intended to answer questions about the ethical conduct of more than a million individuals employed by more than 100 different Federal agencies, the new Standards of Ethical Conduct are detailed. They contain many examples and will readily answer most ethical questions employees will have. The attached synopsis has been prepared by the Office of Government Ethics to give employees enough familiarity with the contents of the regulations to recognize ethical issues when they arise and to assist in looking up relevant provisions in the regulations. Because the synopsis provides only a shorthand reference to lengthier provisions in the regulations, an employee must refer to the regulations themselves in resolving ethical issues that actually arise or may seek the advice of an agency ethics official.

SYNOPSIS OF SUBPART A – GENERAL PROVISIONS

THE PRINCIPLES OF ETHICAL CONDUCT. The following principles of ethical conduct apply to all officers and employees of the executive branch and many form the basis for specific standards set forth in the regulation.

Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws and ethical principles above private gain.

Employees shall not hold financial interests that conflict with the conscientious performance of duty.

Employees shall not engage in financial transactions using nonpublic Government information or allow the improper use of such information to further any private interest.

An employee shall not, except pursuant to the exceptions in subpart B, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.

Employees shall put forth honest effort in the performance of their duties.

Employees shall make no unauthorized commitments or promises of any kind purporting to bind the Government.

Employees shall not use public office for private gain.

Employees shall act impartially and not give preferential treatment to any private organization or individual.

Employees shall protect and conserve Federal property and shall not use it for other than authorized activities.

Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Government duties and responsibilities.

Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities.

Employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those – such as Federal, State and local taxes — that are imposed by law.

Employees shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age, or handicap.

Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or these Standards of Ethical Conduct.

BASIC CONCEPTS

Employees shall apply the principles stated above in weighing the propriety of conduct not otherwise addressed in the regulations.

Employees shall judge whether circumstances will violate the appearance principle, the last principle set forth above, from the perspective of a reasonable person with knowledge of the relevant facts.

There are special rules for determining which standards apply to employees detailed to other agencies, to other branches of the Federal government, to State or local governments or to international organizations.

A violation of the regulatory standards may be cause for corrective action or for disciplinary action against an employee. There are criminal penalties for violations of criminal statutes referred to in the regulations.

Employees are encouraged to seek the advice of agency ethic officials. Disciplinary action for violation of regulatory standards will not be taken against an employee who relies on such advice.

DEFINITIONS. Terms used throughout the Standards of Ethical Conduct, such as “agency designee” and “special Government employee,” are defined in subpart A. Terms of more limited applicability are defined in the subparts or sections to which they apply.

SYNOPSIS OF SUBPART B – GIFTS FROM OUTSIDE SOURCES

BASIC PROHIBITION ON GIFTS FROM OUTSIDE SOURCES. An employee shall not solicit or accept a gift given because of his official position or from a prohibited source. A prohibited source is defined as any person, including any organization more than half of whose members are persons:

Seeking official action by his agency;

Doing or seeking to do business with his agency;

Regulated by his agency; or

Substantially affected by the performance of his duties.

DEFINITION OF A GIFT. The term “gift” includes almost anything of monetary value. However, it does not include:

Coffee, donuts and similar modest items of food and refreshments when offered other than as part of a meal;

Greeting cards and most plaques, certificates and trophies;

Prizes in contests open to the public;

Commercial discounts available to the general public or to all Government or military personnel;

Commercial loans, and pensions and similar benefits.

Anything paid for by the Government, secured by the Government under Government contract or accepted by the Government in accordance with a statute;

Anything for which the employee pays market value:

EXCEPTIONS. Subject to the limitations noted below, there are exceptions which will permit an employee to accept:

Unsolicited gifts with a market value of \$20 or less per occasion, aggregating no more than \$50 in a calendar year from any one source (this exception does not permit gifts of cash or investment interests);

Gifts when clearly motivated by a family relationship or personal friendship;

Commercial discounts and similar benefits offered to groups in which membership is not related to Government employment or, if membership is related to Government employment, where the same offer is broadly available to the public through similar groups, and certain benefits offered by professional associations or by persons who are not prohibited sources.

Certain awards and honorary degrees;

Gifts resulting from the outside business activities of employees and their spouses;

Travel and entertainment in connection with employment discussions;

Certain gifts from political organizations;

Free attendance provided by the sponsor of a widely-attended gathering of mutual interest to a number of parties where the necessary determination of agency interest has been made;

Invitations to certain social events extended by persons who are not prohibited sources, provided no one is charged a fee to attend the event;

Certain gifts of food and entertainment in foreign areas;

Gifts accepted by the employee under a specific statute, such as 5 U.S.C. 4111 and 7342, or pursuant to a supplemental agency regulation.

LIMITATIONS ON USE OF EXCEPTIONS. An employee may not use any of the exceptions noted above to solicit or coerce the offering of a gift or to accept gifts:

For being influenced in the performance of official duties;

In violation of any statute;

So frequently as to appear to be using public office for private gain; or

In violation of applicable procurement policies regarding participation in vendor promotional training.

DISPOSITION OF GIFTS When an employee cannot accept a gift, the employee should pay the donor its market value. If the gift is a tangible item, the employee may instead return the gift. Subject to approval, however, perishable items may be donated to a charity, destroyed or shared within the office.

SYNOPSIS OF SUBPART C – GIFTS BETWEEN EMPLOYEES

GENERAL. This subpart contains standards that prohibit an employee from giving, donating to, or soliciting contributions for a gift to an official superior and from accepting a gift from an employee receiving less pay than himself.

EXCEPTIONS. On an occasional basis, including any occasion on which gifts are traditionally given or exchanged, the following may be give to an official superior or accepted from a subordinate or other employee receiving less pay:

Items, other than cash, with an aggregate market value of \$10 or less per occasion.

Items such as food and refreshments to be shared in the office among several employees.

Personal hospitality provided at a residence which is of a type and value customarily provided by the employee to personal friends.

Gifts exceeding \$10 appropriate to the occasion may be given/accepted for special, infrequent occasions of personal significance (marriage) or on occasions that terminate the subordinate-official superior relationship such as retirement or transfer.

SYNOPSIS OF SUBPART D – CONFLICTING FINANCIAL INTERESTS

DISQUALIFYING FINANCIAL INTERESTS. Under the criminal conflict of interest statute, 18 U.S.C. 208, an employee is prohibited from participating in an official capacity in any particular matter in which, to his knowledge, he or certain other persons have a financial interest, if the particular matter will have a direct and predictable effect on his own or that person's financial interests.

APPLICABILITY. In addition to matters that affect his own financial interests, this prohibition applies to a particular matters that affect the financial interests of:

The employee's spouse, minor child or general partner; or

Any person the employee serves as officer, director, trustee, general partner or employee;

The prohibition also applies to particular matters that affect the financial interests of a person with whom the employee is negotiating for or has an arrangement concerning future employment. However, this aspect of the statute is addressed more specifically in subpart F.

DISQUALIFICATION. Disqualification can be accomplished simply by not participating in the matter. Although an employee should notify the person responsible for his assignment of the need to disqualify, a written disqualification statement is necessary only if required by an ethics agreement or requested by an agency ethics official or the person responsible for the employee's assignment.

SOLUTIONS OTHER THAN DISQUALIFICATION. Disqualification is not required if the financial interest is the subject of one of the statutory waivers described in subpart D or if the employee has sold or otherwise divested the conflicting interest.

PROHIBITED FINANCIAL INTERESTS. In general, employees may acquire and hold financial interests subject only to the disqualification requirement imposed by 18 U.S.C. 208. However, some agencies have statutes that prohibit employees from acquiring or holding particular interests. In addition, subpart D gives agencies the authority, by supplemental regulation, to prohibit employees from acquiring or holding certain financial interests. Agencies also may prohibit an individual employee from holding financial interests where disqualification would impair the employee's ability to perform the duties of his position or

adversely affect the agency's mission. An employee directed to divest a financial interest may be eligible for special tax treatment of the transaction.

SYNOPSIS OF SUBPART E – IMPARTIALITY IN PERFORMING OFFICIAL DUTIES

CONSIDERATION OF CERTAIN PERSONAL AND BUSINESS RELATIONSHIPS.

Even though his disqualification may not be required under subpart D, an employee should not participate in an official capacity in certain matters without first obtaining specific authorization if, in his judgment, persons with knowledge of the relevant facts would question his impartiality in those matters.

MATTERS COVERED. The matters covered include a particular matter involving specific parties if the employee knows that it is likely to affect the financial interests of a member of his household or that one of the following persons is a party or represents a party in the matter:

A person with whom the employee has or seeks a business or other financial relationship;

A member of the employee's household or relative with whom the employee has a close personal relationship;

A person the employee's spouse, parent or child serves or seeks to serve as officer, director, trustee, general partner, agent, attorney, consultant, contractor or employee;

A person the employee has, in the past year, served as officer, director, trustee, general partner, agent, attorney, consultant, contractor or employee; or

An organization, other than a political party, in which the employee is an active participant.

DISQUALIFICATION. Disqualification can be accomplished in the same manner as when required under subpart D for disqualifying financial interests.

AUTHORIZATION TO PARTICIPATE. Notwithstanding the employee's determination that his impartiality would be questioned, the agency designee can authorize the employee to participate in the matter based on a determination that the Government's interest in the employee's participation outweighs the concern that a reasonable person would question the integrity of agency programs and operations. The authorization permitted by subpart E cannot be given, however, if the employee's disqualification is also required by subpart D.

OTHER APPLICATION OF THE PROCESS. Employees are urged to use the process set forth in subpart E to decide whether they should or should not participate in other matters in which their impartiality is likely to be questioned.

EXTRAORDINARY PAYMENTS FROM FORMER EMPLOYERS. An employee is disqualified for 2 years from participating in any particular matter in which his former employer is a party or represents a party if, prior to entering Federal service, that employer gave him an extraordinary payment in excess of \$10,000.

A routine severance and other payment made under an established employee benefits plan would not be an extraordinary payment.

There is authority to waive all or part of this disqualification requirement.

TRAINING CREDIT

ATTN: STVHCS EMPLOYEES: [To receive training credit, click here and enter your DHCP password in the "User Name" block and your DHCP verify code in the "Password" block.](#) NOTE: The box that appears will say "Enter Network Password" . Ignore what the box says and type you DHCP password in the first block (User Name) and your DHCP verify code in the second block (Password).